

STATE OF MAINE  
PUBLIC UTILITIES COMMISSION

Docket No. 2000-541

November 9, 2000

SACO RIVER TELEPHONE COMPANY  
Request for Approval of Affiliated Interest  
Transaction, Reorganization and Transfer  
of Assets from Saco River Telegraph and  
Telephone Company with Rural Cellular  
Corporation

APPROVAL OF STIPULATION,  
REORGANIZATION AND  
AFFILIATED TRANSACTIONS;  
AUTHORITY TO PROVIDE  
SERVICE

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

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In this Order, we approve a Revised Stipulation and thereby grant approvals for reorganizations and other necessary approvals involved in the sale of Saco River Telegraph and Telephone Company.

On August 17, 2000, Saco River Telegraph and Telephone Company (SRTT) filed a petition seeking approval under 35-A M.R.S.A. § 708(2) for various reorganizations of SRTT. The full description of the various reorganizations that will take place for SRTT is contained in the Revised Stipulation, filed on November 2, 2000, that is approved by this Order. As a result of these approvals, SRTT will no longer be the operating company providing local exchange and interexchange service in the Bar Mills, Waterboro and West Buxton exchanges that serve in several municipalities in York and Cumberland Counties. A new corporation, initially to be named SRTT, Inc. (SRTTI) will provide that service instead. SRTTI will be a wholly-owned subsidiary of Rural Cellular Corporation (RCC), a holding company that owned a number of wireless communications systems throughout the United States. Following the reorganizations, SRTT will become "Saco River Telecommunications, Inc." and will be the holding company for existing subsidiaries of SRTT. SRTTI will be renamed "Saco River Telegraph and Telephone Company."

The Stipulation contains a number of provisions, including recommended approval of the various reorganizations described therein, recommended approvals for SRTTI to provide service and for SRTT to abandon service, recommended approval of certain past reorganizations that Saco River Telegraph and Telephone Company inadvertently failed to obtain, recommended approval of contracts or arrangements between affiliates that will occur under the new organizational structure, and a waiver of need to obtain approval for certain future reorganizations that have little or no material effect on SRTTI. The reorganization exemption is similar to several exemptions that we have approved in the past.

At our deliberations on October 30, 2000, we considered the original Stipulation filed on October 25, 2000. We raised questions about two provisions in that original Stipulation. The first was a provision on page 4 (in Part B.2) which stated:

the parties recommend that the Commission impose the following conditions in its approval of the reorganizations:

- a. That the Commission shall have reasonable access to the books and records of any entity that SRTTI might come to own and to the books and records of SRTTI as well;
- b. That the Commission shall have all reasonable power to detect, identify, review and approve or disapprove of all transactions between affiliated interests and SRTTI;

. . .

These provisions track the first two of several “conditions” that the Commission may impose pursuant to 35-A M.R.S.A. § 708(2)(A) in approving a stipulation. The relevant portion of section 2(A) states:

In granting its approval, the commission shall impose such terms, conditions or requirements as, in its judgment, are necessary to protect the interests of ratepayers. These conditions shall include provisions which assure the following:

- (1) That the commission has reasonable access to books, records, documents and other information relating to the utility or any of its affiliates, except that the Public Utilities Commission may not have access to trade secrets unless it is essential to the protection of the interests of ratepayers or investors. The commission shall afford trade secrets and other information such protection from public disclosure as is provided in the Maine Rules of Civil Procedure;
- (2) That the commission has all reasonable powers to detect, identify, review and approve or disapprove all transactions between affiliated interests.

We questioned whether the provisions in the original Stipulation would permit us to examine the books and records of an affiliated interest of SRTTI that had a contract or arrangement with SRTTI to provide or obtain goods or services to or from SRTTI. As a result of this concern, the parties have presented the Revised Stipulation that modifies paragraph (a) on page 4. The new provision makes clear that the Commission does have the authority to examine the books and records of an affiliate to the extent they relate to a transaction that must be approved under 35-A M.R.S.A. § 707.

The second provision that might create a problem of interpretation in the future is at Part B.2.c of the Stipulation (page 6). That provision states that the exemption from the need to obtain approval for various reorganizations, created by Part B.3.a (page 5) "shall be subject to perspective termination or limitation in whole or in part upon Commission Order for violations of the terms and conditions of this waiver, to an extent reasonably related to the violation, after notice and hearing to the affected parties."

We do not view this provision as a limitation on our general power under statute, 35-A M.R.S.A. § 1321, to alter or amend any order we have issued, subject to an opportunity, as provided in that statute, for affected parties to be heard. The parties have stated that they agree that the Commission retains that statutory authority.

Accordingly, we

1. APPROVE the Stipulation filed by Saco River Telegraph and Telephone Company and the Public Advocate, attached hereto and incorporated herein;
2. Grant all approvals described in the Stipulation, including for reorganizations, affiliated interests, for the transactions between Saco River Telegraph and Telephone Company to abandon service upon the implementation of service by SRTTI, Inc. (35-A M.R.S.A. § 1104), and for SRTTI, Inc. to provide local exchange and interexchange service in the service territory presently served by Saco River Telegraph and Telephone Company (35-A M.R.S.A. § 2102).

Dated at Augusta, Maine, this 9<sup>th</sup> day of November, 2000.

BY ORDER OF THE COMMISSION

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Dennis L. Keschl  
Administrative Director

COMMISSIONERS VOTING FOR:      Welch  
   Nugent  
   Diamond

## NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Civil Procedure, Rule 73, et seq.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.